



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

NEAL T. GOOCH
Acting Insurance Commissioner

Insurance Department

Bulletin 2010-4

To: Licensed Property and Casualty Insurance Companies
From: Neal T. Gooch, Acting Commissioner
Date: April 20, 2010
Subject: Issuance of Certificates of Insurance

Certificates of insurance, evidences of insurance, memorandums of insurance, agent opinion letters and similar insurance policy-related documents (collectively "certificates") serve a valuable informational purpose and provide a courtesy summary of the basic coverage's and limits of an insurance policy to an insured or third party. The Department is aware, however, that some insurance producers, agencies and insurers have been asked to provide certificates that purport to amend, extend, or alter the terms of the underlying policy, or inaccurately suggest the existence of certain contractual rights. Although the insurance industry may feel pressured or obligated to provide certificates that revise policy language or misrepresent the actual policy terms, they are in violation of Utah's Insurance Code when they do so. This also includes any customized certificate of insurance forms provided by a proposed certificate holder.

Insurers, agencies and producers are in violation of **Utah Code Ann. §31A-23a-402** when they issue a certificate of insurance that obscures or misrepresents the insurance coverage or terms, the obligation of notice by an insurer, or other rights provided under an insurance policy and may be subject to administrative penalties and/or license suspension or revocation. In addition, **Utah Code Ann. §31A-21-201** mandates that insurers file all of their insurance policy forms. This mandate includes certificates of insurance and/or evidences of insurance intended for use in this state. A licensee, or an employee of a licensee, cannot issue any such form(s) until filed with the Department.

When an insurer or insurance producer executes a certificate of insurance or other evidence of coverage which extends beyond offering a mere synopsis of the policy, the insurer or producer risks modifying the policy's terms or coverage's. In addition, if an insurer or its producer includes any statement in a certificate of insurance purporting to amend or extend coverage from the underlying policy, including references to construction contracts, service contracts or insurance requirements, the insurer or producer may be misrepresenting the policy terms. By issuing such a certificate, the insurer or producer is in violation of the above referenced Insurance Code prohibiting a producer or insurer from intentionally or materially misrepresenting the terms of an actual or proposed insurance contract. Such violations can result in administrative actions by the Department, which may include a monetary penalty, suspension, revocation or probationary action against a licensee.

DATED this 20th day of April 2010.

Neal T. Gooch
Acting Commissioner